

AUTOMOTIVE RECYCLERS of WASHINGTON

On behalf of the members of the Auto Recyclers of Washington (AROW), the vehicle dismantling industry wishes to make the following comments on the proposed re-write of the Washington State General Industrial Stormwater Permit. The vehicle dismantling industry is one of the industries required to have a stormwater permit if they have a stormwater discharge from their facilities. Many licensed firms in our industry are covered by the current General Industrial Stormwater Permit.

The legally licensed vehicle wrecking industry is one of the most environmentally beneficial industries in the entire State of Washington for the following reasons:

- This industry reclaims discarded products and converts them to re-use, the highest priority of dealing with a discarded product.
- This industry collects millions of pounds of used fluids; batteries and other waste items and disposes of them in the most environmentally protective way.
- This industry captures thousands of pounds of ozone depleting gas from salvage vehicles.
- This industry recycles hundreds of thousands of tons of metals after reusing as much of the salvage vehicle as possible, reducing the need to mine additional resources to produce new metals.
- This industry provides critical access to affordable vehicle repair to lower income individuals and families who purchase used parts to keep their vehicles operational.
- This industry provides nearly 2,000 family wage jobs for workers across the state.
- This industry reduces the risk of vehicle theft by protecting against the trafficking of stolen vehicle parts.
- This industry is the oldest continuously-operating reuse and recovering industry in Washington State.

Before making specific comments on the draft permit, AROW wants to clearly inform the Department of Ecology, state officials-at-large and interested parties that licensed vehicle wreckers are only acquiring between thirty-percent to forty-percent of the “totaled” vehicles. Sixty to seventy percent of the totaled vehicles are being sold to non-licensed citizens, most of whom have no business license, no legal place of business, and do not comply with any environmental protection regulations including protecting stormwater water quality. If the Department of Ecology and the State of Washington are truly interested in protecting the water quality of stormwater from potential sources of contamination, the Department must engage in an aggressive effort to identify these illegally operating individuals and ensure their compliance with the provisions of this Permit. Otherwise, more than 60% of the fluids that may be released from wrecked vehicles (approximately 120,000+ of the 200,000+ vehicles “totaled” in Washington State each year) will NOT be controlled or regulated in any way by this permit. Non-licensed vehicle wreckers are rebuilding and putting back on the road over 25,000 vehicles every year in Washington State - without having to meet any environmental regulations at all.

The Auto Recyclers of Washington offer the following specific comments:

1. Non-compliance by non-licensed vehicle dismantlers with the requirements of the existing general industrial stormwater permit and the proposed new general industrial stormwater permit is extremely widespread.

- The non-licensed vehicle wreckers dismantle a greater volume of wrecked vehicles than do licensed vehicle wreckers in Washington State. The potential risk from the contamination of surface and groundwater from these non-licensed, illegal operations is HUGE - over 1.9 million pounds (240,000 gallons) of used petroleum alone per year, an additional potential 1.9 million pounds (240,000 gallons) of used anti-freeze, improper disposal of up to 120,000 lead-acid batteries (6+ million pounds of highly toxic waste). All of these wastes are currently uncontrolled due to a lack of any enforcement with respect to these operations. Each of these wastes poses a HUGE risk to the state's water quality, both surface and groundwater.

- Failure by the Department of Ecology and the State of Washington to effectively enforce compliance by non-licensed vehicle wreckers with the requirements of this Permit will result in a violation of both the Washington State Water Pollution Control Act and the Federal Clean Water Act.

- It will also result in huge competitive advantages for non-licensed vehicle wrecking operations, and seriously threaten the continued existence of licensed vehicle wrecking operations all across Washington State. How will the State of Washington dispose of over 200,000 vehicles a year if this and other state regulations destroy licensed vehicle-wrecking operations?

The proposed new Permit must include provisions to ensure effective enforcement against illegal vehicle wrecking operations.

2. The proposed new General Industrial Stormwater Permit puts honest, licensed vehicle wrecking operations at a severe competitive disadvantage when they try to compete in the marketplace with illegal non-licensed wrecking operations. The projected annual cost of complying with the proposed new Permit will be in excess of \$2,000 in direct costs per year for a licensed wrecking operation (not including the cost to implement source controls or treatment actions). It will require increasing sales by over \$40,000 per year to pay these additional costs out of profits. Please allow us to repeat that - an honest licensed vehicle wrecker will have to increase their sales by over \$40,000 a year to generate the additional \$2,000 in profits to pay the costs to comply with the new requirements in this new Permit Yet, their illegal, non-licensed competitors will bear none of these costs and will provide none of the environmental protections unless dramatic changes are made in enforcement of the Permit's requirements on their operations. Unless this new Permit contains strong and effective enforcement against illegal wrecking operations, it will push some legally licensed wrecking operations to cease operation.

3. The requirement in the proposed new Permit for the firm to identify their "receiving water" is an extremely big challenge for many legally licensed vehicle-wrecking operations. In many cases, the stormwater drains into a ditch that runs along the road in front of the facility or a ditch that runs along the side or back of the operation. How is the operator of a wrecking operation to know what the name of the receiving body is for that runoff?

This requirement of the proposed new Permit necessitates that the Department of Ecology provide assistance to operators of wrecking facilities to properly identify the "receiving body". Without such assistance, it could cost the operator of a wrecking facility \$ 100's to comply with

this requirement. The operator of a wrecking operation must increase sales by \$2,000 for every \$100 in increased costs to pay for the increased costs.

The Department of Ecology has an obligation to assist this industry in complying with this requirement.

4. The new sampling requirement of this proposed new Permit is very troublesome for lawfully operating vehicle-wrecking operations. It requires a sample be taken within the first hour of a qualified storm event. This is a tremendous new additional burden being imposed on these lawful operations that their illegal competitors have no cost or concern with. Here are the very real impacts of this requirement:

A. Now, legal vehicle wreckers will, in addition to all of their other demands, have to keep very close track of the weather to be able to identify a “qualified storm event” when they can take the required stormwater samples. This is on top of the thousands of other regulations they are required to comply with as well as all of the demands of running a business. Was it 24 hours since the last storm? Will this storm produce at least one-tenth of an inch of rain? Answering these questions on a daily basis is a HUGE, new demand on legally licensed vehicle wrecking operators.

B. Vehicle wrecking operations, both legal and illegal, acquire most of their inventory (wrecked vehicles) from vehicle salvage auctions. A vehicle salvage auction is where insurance companies that have “totaled” or wrecked vehicle sell the remaining salvage to the highest bidder. There are three or four such salvage auctions per week, and each auction lasts several hours and requires additional time before the auction to preview the salvage to determine its value. Because the purchase of salvage is such a key element in the success or failure of a vehicle wrecking operation, in almost all cases, the owner of the wrecking operation personally attends the salvage auction. Also, because a poor stormwater sample can potentially cost a legal wrecking operator thousands of dollars to install source controls and treatment controls, the owner will almost always take the stormwater sample himself. This new sampling requirement will result in the following very common scenario for lawful vehicle wrecking owners:

The owner of a lawfully licensed vehicle wrecking operation travels to the salvage auction and spends several hours viewing the salvage vehicles that are about to be auctioned (there are usually hundreds of salvaged vehicles that will be sold at each auction). The auction begins. Just thirty-minutes into the auction, it begins to rain. The owner knows he has to take a stormwater sample, and it is nearing the end of a calendar quarter. So the owner leaves the salvage auction to travel back to his facility to take the stormwater sample within the first hour as required by the new proposed Permit. Depending on the location of his facility relative to the salvage auction, he is gone at least one hour and he may miss the entire auction. While he is gone taking his required stormwater sample, his illegal competitors are buying the cars he wanted to buy and needs to dismantle for future sales for his company.

This new sampling requirement will have a huge negative impact on many legally licensed auto wrecking operators as they can lose most or all of a day because of not being able to bid on and purchase salvage they need to run their businesses. This will cost many legally licensed vehicle-wrecking operations thousands more per year in lost time and lost opportunities to purchase the vehicle salvage they need. Yet, their illegal competitors BENEFIT from this new proposed Permit because it will reduce the number of bidders bidding for salvage at the auction (usually

results in a lower winning bid) because the legal wrecking operators must leave the auction to take their stormwater samples.

The requirement to sample stormwater runoff within one hour of the beginning of the runoff of a qualified storm event is extremely onerous to legally licensed vehicle wreckers. The one-hour requirement must be extended so as not to put legal wrecking operations at a far worse competitive disadvantage with the large number of illegal vehicle wrecking operations they now compete with. To make matters worse, this same scenario could occur multiple times in a calendar quarter because the rain event the operator thought would be a ‘qualified event’ failed to produce the one- tenth of an inch of rain required to make it a qualified event. The legal wrecking operator must leave another auction in the future in an attempt to comply with this new sampling requirement. By the way, how will the legally licensed wrecking operation know if a storm event qualifies?

Clearly this proposed new General Industrial Stormwater Permit imposes huge new costs on lawfully licensed vehicles wreckers, imposes huge new burdens on lawfully licensed vehicle wreckers, and puts lawfully licensed vehicle wreckers at a huge competitive disadvantage as they try to compete with the extremely large number of illegal non-licensed wrecking operations now operating in Washington State. This proposed new Permit proposes NOTHING to address these costly and extremely harmful impacts on the lawfully licensed vehicle wrecking firms. This proposed new Permit attempts to protect stormwater contamination from vehicle recycling operations but FAILS to apply these requirements to over 60 percent of the vehicles that are and will be dismantled. **At a minimum**, the following revisions must be made to this permit:

- Add effective enforcement provisions to assure that those who comply with the requirements of this permit are not put in a competitive disadvantage by having to compete with others who escape having to comply with these new requirements.
- Provide extensive technical assistance to small business owners who must comply with the requirement to identify their “receiving water”, to help them comply with this requirement in the least amount of time and with the least amount of difficulty possible.
- Extend from one hour to “as soon as reasonably possible” the requirement to take a sample of stormwater runoff from a facility. The one-hour requirement is draconian and seriously harms the legally licensed vehicle wrecking operations.

Thank you for your careful consideration of our comments. We will be pleased to assist the Department in making the revisions proposed.